

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0240-01  
Bill No.: HB 322  
Subject: Education, Elementary and Secondary: Kansas City School District  
Type: Original  
Date: February 9, 2001

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
General Revenue	(\$128,290)	(\$126,067)	(\$129,282)
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>(\$128,290)</b>	<b>(\$126,067)</b>	<b>(\$129,282)</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
<b>Local Government</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 4 pages.

## FISCAL ANALYSIS

### ASSUMPTION

Officials of **Department of Elementary and Secondary Education** estimate that the State Board of Education would need a Coordinator and an Administrative Assistant II to work with a special administrative board in the Kansas City School District if the Board became the governing body of the Kansas City School District.

They note that the proposal would not affect the basic Foundation Formula or any of the categorical funds.

The State Board of Education would appoint a three-member special administrative board for a district not expected to return to accredited status. Two members of the special administrative board would be residents of the school district and would serve without compensation. One member would be a professional administrator and would be paid with funds from the district.

Officials of the **School District of Kansas City, Missouri** stated that the proposal would result in costs, direct and indirect, to the District and to other political subdivisions in the Kansas City area. They stated that some costs can not be estimated because the proposal is not sufficiently detailed and some effects would depend on actions of citizens of the District.

They anticipate additional students transferring from the District (the District would be responsible for costs of transporting students to other districts) either to other districts or to charter schools (state funds for students would follow the students to charter schools). They also anticipate some transition costs for transferring administrative control of the District from the School Board to the State Board of Education and the special administrative board.

Among indirect costs would be declining real estate values and consequent declining property tax revenues, which would affect all political subdivisions in and around the school district.

FISCAL IMPACT - State Government

FY 2002

FY 2003

FY 2004

### **GENERAL REVENUE FUND**

GVB:LR:OD (12/00)

<u>FISCAL IMPACT - State Government</u>	FY 2002	FY 2003	FY 2004
<u>Cost - Department of Elementary and Secondary Education (DES)</u>			
Personal Service (2 FTE)	(\$76,174)	(\$78,078)	(\$80,030)
Fringe Benefits	(\$25,389)	(\$35,423)	(\$36,309)
Expense and Equipment	<u>(\$26,727)</u>	<u>(\$12,566)</u>	<u>(\$12,943)</u>
Administrative Cost to DES	(\$128,290)	(\$126,067)	(\$129,282)
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>(\$180,406)</u></b>	<b><u>(\$126,067)</u></b>	<b><u>(\$178,534)</u></b>
<u>FISCAL IMPACT - Local Government</u>	FY 2002	FY 2003	FY 2004
<b>KANSAS CITY SCHOOL DISTRICT</b>			
<u>Costs - Transition to state control</u>	(Unknown)	(Unknown)	(Unknown)
<b>ESTIMATED NET EFFECT ON KANSAS CITY SCHOOL DISTRICT</b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal. However, there would probably be effects on property values for businesses in and close to the Kansas City School Districts.

DESCRIPTION

This proposal would dissolve the corporate organization of the Kansas City School District and require the State Board of Education to govern the Kansas City School District beginning on the effective date of the proposal. (Under current law, the corporate organization of an unaccredited school district lapses on June thirtieth of the second full school year of unaccredited classification after the school year during which the district received the unaccredited classification. The Kansas City School District was designated unaccredited in 1999 and had an effective date of 2000 for its unaccredited status; therefore, unless the District showed enough progress to gain provisionally accredited status, the State Board would take over the Kansas City District on June 30, 2002 under current law.)

This proposal contains an emergency clause.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space. This proposal would not affect Total State Revenue.

SOURCES OF INFORMATION

GVB:LR:OD (12/00)

Department of Elementary and Secondary Education  
School District of Kansas City, Missouri

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is stylized with a large initial "J" and a cursive "e" at the end.

Jeanne Jarrett, CPA  
Director  
February 9, 2001